

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ELZIE NEELEY)	
GAS COMPANY FOR A DEVIATION FROM)	CASE NO.
THE REQUIREMENTS OF 807 KAR 5:022,)	10142
SECTION 13(17)3(f)4)	

O R D E R

On January 20, 1988, Elzie Neeley Gas Company ("Elzie Neeley") filed its response to a safety inspection report from the Commission's Gas Pipeline Safety Branch. As part of the response, Elzie Neeley requested a deviation from gas operations set forth in 807 KAR 5:022, Section 13(17)3(f)4, Odorization of Gas. The Commission treated the request as an application for a deviation.

Elzie Neeley requests that it be allowed to sample for proper odorant level every 2 weeks instead of weekly as required by the regulation.

On March 4, 1988, an Order was issued requesting additional information from Elzie Neeley. According to the information filed, Elzie Neeley requests the deviation to help reduce operating expenses. It is estimated that each trip to perform the odorant check costs \$40. While the Commission considers this estimate to be somewhat inflated, it is noted that reducing the number of trips by one-half should result in monetary savings to a small gas utility like Elzie Neeley.

If the application for deviation is approved and weekly odorant checks are not made, the Commission is concerned about the

extent to which odorant levels will be maintained in Elzie Neeley's supply of gas. In its response to the Commission's information request, Elzie Neeley stated that its sole source of supply is Columbia Gas of Kentucky ("Columbia"). The Commission notes that Elzie Neeley does not inject odorant into the gas it purchases since Columbia's gas contains a natural odorant. To Elzie Neeley's knowledge, Columbia does not change the source of supply, nor is the gas processed through a stripping plant prior to its sale to Elzie Neeley. Therefore, the gas which Elzie Neeley purchases from Columbia should maintain an adequate odorant level due to the natural odorants in the gas.

The Commission concludes that based upon the information submitted, an adequate level of safety can be maintained for the customers of Elzie Neeley without weekly odorant checks. Therefore, Elzie Neeley should be granted a deviation from 807 KAR 5:022, Section 13(17)3(f)4, and be allowed to sample for proper odorant level every 2 weeks. However, if at any time Elzie Neeley's supplier changes the source of gas or at any other time the Commission concludes a weekly odorant check should be made, Elzie Neeley shall reinstitute weekly odorant checks as required by the regulation. During the annual safety inspection, the Commission's Gas Pipeline Safety Branch will verify that an odorant check has been conducted by Elzie Neeley every 2 weeks.

IT IS THEREFORE ORDERED that Elzie Neeley shall be and hereby is granted a deviation from 807 KAR 5:022, Section 13(17)3(f)4, subject to the conditions stated herein.

Done at Frankfort, Kentucky, this 29th day of April, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Hemmings
Chairman

Robert M. Davis
Vice Chairman

James M. Williams
Commissioner

ATTEST:

Executive Director